104TH CONGRESS 1ST SESSION

S. 854

To amend the Food Security Act of 1985 to improve the agricultural resources conservation program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 25 (legislative day, MAY 15), 1995

Mr. Lugar (for himself and Mr. Leahy) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry ${\bf P}$

A BILL

To amend the Food Security Act of 1985 to improve the agricultural resources conservation program, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 **SECTION 1. SHORT TITLE.**
- 4 This Act may be cited as the "Agricultural Resources
- 5 Conservation Act of 1995".
- 6 SEC. 2. ENVIRONMENTAL CONSERVATION ACREAGE RE-
- 7 SERVE PROGRAM.
- 8 Section 1230 of the Food Security Act of 1985 (16
- 9 U.S.C. 3830) is amended to read as follows:

1	"SEC. 1230. ENVIRONMENTAL CONSERVATION ACREAGE
2	RESERVE PROGRAM.
3	"(a) Establishment.—
4	"(1) IN GENERAL.—During the 1996 through
5	2005 calendar years, the Secretary shall establish an
6	environmental conservation acreage reserve program
7	to be implemented through contracts and the acqui-
8	sition of easements to assist owners and operators of
9	farms and ranches to conserve and enhance soil,
10	water, and related natural resources, including graz-
11	ing lands, wetlands, and wildlife habitat.
12	"(2) Means.—The Secretary shall carry out
13	the environmental conservation acreage reserve pro-
14	gram by—
15	"(A) providing for the long-term protection
16	of environmentally sensitive lands; and
17	"(B) providing technical and financial as-
18	sistance to farmers and ranchers to—
19	"(i) improve the management of the
20	operations of the farmers and ranchers;
21	and
22	"(ii) reconcile productivity and profit-
23	ability with protection and enhancement of
24	the environment.
25	"(3) Programs.—The environmental conserva-
26	tion acreage reserve program shall consist of—

1	"(A) the conservation reserve program es-
2	tablished under subchapter B;
3	"(B) the wetlands reserve program estab-
4	lished under subchapter C; and
5	"(C) the environmental quality incentives
6	program established under chapter 2.
7	"(b) Administration.—
8	"(1) IN GENERAL.—In carrying out the envi-
9	ronmental conservation acreage reserve program, the
10	Secretary shall enter into contracts with owners and
11	operators and acquire interests in lands through
12	easements from owners, as provided in this chapter
13	and chapter 2.
14	"(2) Prior enrollments.—Acreage enrolled
15	in the conservation reserve program or wetlands re-
16	serve program prior to the effective date of this
17	paragraph shall be considered to be placed in the en-
18	vironmental conservation acreage reserve program.
19	"(c) Conservation Priority Areas.—
20	"(1) Designation.—
21	"(A) In General.—The Secretary shall
22	designate watersheds or regions of special envi-
23	ronmental sensitivity, including the Chesapeake
24	Bay region (located in Pennsylvania, Maryland,
25	and Virginia), the Great Lakes region, and the

Long Island Sound region, as conservation priority areas that are eligible for enhanced assistance through the programs established under this chapter and chapter 2. A designation shall be made under this subparagraph if an application is made by a State agency and agricultural practices within the watershed or region pose a significant threat to soil, water, and related natural resources, as determined by the Secretary.

"(B) Assistance.—To the extent practicable, the Secretary shall designate a watershed or region of special environmental sensitivity as a conservation priority area to assist agricultural producers within the watershed or region to comply with nonpoint source pollution requirements established under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) and other Federal and State environmental laws.

"(2) APPLICABILITY.—The Secretary shall, to the maximum extent practicable, designate a watershed or region as a conservation priority area that conforms to the functions and purposes of the conservation reserve program established under sub-

- chapter B, the wetlands reserve program established under subchapter C, or the environmental quality incentives program established under chapter 2, as applicable, if participation in the program is likely to result in the resolution or amelioration of significant soil, water, and related natural resource problems related to agricultural production activities within the watershed or region.
 - "(3) EXPIRATION.—A conservation priority area designation shall expire on the date that is 5 years after the date of the designation, except that the Secretary may—
- 13 "(A) redesignate the area as a conserva-14 tion priority area; or
- 15 "(B) withdraw the designation of a water16 shed or region as a conservation priority area if
 17 the Secretary finds that the area is no longer
 18 affected by significant soil, water, and related
 19 natural resource problems related to agricul20 tural production activities.".

21 SEC. 3. CONSERVATION RESERVE.

- Subchapter B of chapter 1 of subtitle D of title XII
- 23 of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.)
- 24 is amended to read as follows:

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"Subchapter B—Conservation Reserve 1 2 "SEC. 1231. CONSERVATION RESERVE. 3 "(a) IN GENERAL.—During the 1996 through 2005 calendar years, the Secretary shall carry out the enrollment of lands in a conservation reserve program through the use of contracts to assist owners and operators of lands specified in subsection (b) to conserve and improve 8 soil, water, and related natural resources, by taking environmentally sensitive lands out of production. 10 "(b) Eligible Lands.—The Secretary may include in the program established under this subchapter— "(1) highly erodible cropland that— 12 "(A) if permitted to remain untreated 13 could substantially impair soil, water, or related 14 natural resources; and 15 "(B) cannot be farmed in accordance with 16 17 a conservation plan implemented under section 18 1212; 19 "(2) marginal pasture land converted to a wet-20 land or established as wildlife habitat: 21 "(3) marginal pasture land in or near riparian 22 areas that could enhance water quality; 23 "(4) cropland or pasture land to be devoted to the production of hardwood trees, windbreaks, 24 shelterbelts, or wildlife corridors; and 25

1	"(5) cropland that is otherwise not eligible for
2	inclusion in the program—
3	"(A) if the Secretary determines that—
4	"(i) the land contributes to the deg-
5	radation of water quality or soil erosion, or
6	would cause on-site or off-site environ-
7	mental degradation if permitted to remain
8	in agricultural production; and
9	"(ii) water quality, soil erosion, or en-
10	vironmental objectives with respect to the
11	land cannot be achieved under the environ-
12	mental quality incentives program estab-
13	lished under chapter 2;
14	"(B) if the cropland is newly created, per-
15	manent grass sod waterways, or are contour
16	grass sod strips established and maintained as
17	part of an approved conservation plan under
18	this subchapter;
19	"(C) if the cropland will be devoted to
20	newly established living snow fences, permanent
21	wildlife habitat, windbreaks, or shelterbelts;
22	"(D) if the land will be devoted to
23	filterstrips that are contiguous to permanent
24	bodies of water or intermittent streams:

1	"(E) if the Secretary determines that the
2	land poses an off-farm environmental threat, or
3	pose a threat of continued degradation of pro-
4	ductivity due to soil salinity, if permitted to re-
5	main in production; or
6	"(F) if the land is highly erodible cropland
7	that will be used to restore wetlands and—
8	"(i) the land is prior converted wet-
9	land;
10	"(ii) the owners or operators of the
11	land agree to provide the Secretary with a
12	long-term or permanent easement under
13	subchapter C;
14	"(iii) there is a high probability that
15	the prior converted wetland can be success-
16	fully restored to wetland status; and
17	"(iv) the restoration of the areas oth-
18	erwise meets the requirements of sub-
19	chapter C.
20	"(c) Certain Land Affected by Secretarial
21	ACTION.—For the purpose of determining the eligibility
22	of land to be placed in the conservation reserve established
23	under this subchapter, land shall be considered planted to
24	an agricultural commodity during a crop year if an action

- 1 of the Secretary prevented the land from being planted2 to the commodity during the crop year.
- 3 "(d) Enrollment.—

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- "(1) LIMITATION.—Not more than 36,400,000 acres (including acreage subject to contracts extended by the Secretary pursuant to section 1437 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 16 U.S.C. 3831 note)) may be enrolled in the conservation reserve in any of the 1996 through 2005 calendar years.
 - "(2) Priorities.—The Secretary shall, to the maximum extent practicable, with each periodic enrollment of acreage (including acreage subject to contracts extended by the Secretary pursuant to section 1437 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 16 U.S.C. 3831 note)), enroll acreage in the conservation reserve that meets the priority criteria for water quality, soil erosion, and wildlife habitat provided in subsection (e), and, to the maximum extent practicable, maximize multiple environmental benefits.
 - "(e) Priority Functions.—
 - "(1) IN GENERAL.—During all periodic enrollments of acreage (including acreage subject to contracts extended by the Secretary pursuant to section

1437 of the Food, Agriculture, Conservation, and 1 2 Trade Act of 1990 (Public Law 101–624; 16 U.S.C. 3 3831 note)), the Secretary shall evaluate all offers to 4 enter into contracts under this subchapter in light of 5 the priority criteria stated in paragraphs (2), (3), and (4), and accept only the offers that meet the cri-6 7 teria stated in paragraph (2) or (3), maximize the benefits stated in paragraph (4), and maximize envi-8 ronmental benefits per dollar expended. If an offer 9 10 meets the criteria stated in paragraph (4) and paragraph (2) or (3), the offer shall receive higher prior-11 12 ity, as determined by the Secretary. 13 "(2) WATER QUALITY.— 14 "(A) TARGETED LANDS.—Not later than 15 December 31, 2000, the Secretary shall enroll 16 in the conservation reserve narrow strips of 17 cropland or pasture, as filterstrips that are con-18 tiguous to— 19 "(i) permanent bodies of water; "(ii) tributaries or smaller streams; or 20 21 "(iii) intermittent streams that the 22 Secretary determines significantly contrib-23 ute to downstream water quality degrada-

tion.

1	"(B) Purposes.—The lands may be en-
2	rolled by the Secretary in the conservation re-
3	serve to establish—
4	"(i) contour grass strips;
5	"(ii) grassed waterways; and
6	"(iii) other equivalent conservation
7	measures that have a high potential to
8	ameliorate pollution from crop and live-
9	stock production.
10	"(C) REQUIRED ENROLLMENT.—Not later
11	than December 31, 2000, the Secretary shall
12	enroll in the conservation reserve at least
13	4,000,000 acres under this paragraph.
14	"(D) Partial and whole fields.—En-
15	rollments under this paragraph may include
16	partial and whole fields, except that the Sec-
17	retary shall accord a higher priority to partial
18	field enrollments.
19	"(3) Soil erosion.—
20	"(A) In GENERAL.—The Secretary shall
21	accept offers to enroll highly erodible land only
22	on fields that cannot be farmed by using the
23	best economically attainable conservation sys-
24	tem without high potential for degradation of
25	soil or water quality, and such potential deg-

1	radation cannot be alleviated through other
2	Federal or State conservation assistance pro-
3	grams.
4	"(B) Best economically attainable
5	CONSERVATION SYSTEM.—In this paragraph,
6	the term 'best economically attainable conserva-
7	tion system' means a practice or practices de-
8	signed to significantly reduce soil erosion on
9	highly erodible fields in a cost-effective manner,
10	as specified by the Secretary.
11	"(C) Partial field enrollments.—A
12	portion of a highly erodible field is eligible for
13	enrollment if the partial field segment would
14	provide a significant reduction in soil erosion.
15	"(4) WILDLIFE HABITAT BENEFITS.—
16	"(A) In general.—The Secretary shall,
17	to the maximum extent practicable, ensure that
18	offers to enroll acreage under paragraphs (2)
19	and (3) are accepted so as to maximize wildlife
20	habitat benefits.
21	"(B) Maximizing benefits.—An offer
22	that satisfies paragraph (2) or (3) shall be ac-
23	cepted by the Secretary if the offer also maxi-

mizes wildlife habitat benefits, as determined by

the Secretary. For purposes of this paragraph,

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1	the Secretary shall, to the maximum extent
2	practicable, maximize wildlife habitat benefits
3	through—
4	"(i) consultation with State technical
5	committees established under section
6	1261(a) as to the relative habitat benefits
7	of each offer, and accepting the offers that
8	maximize benefits; and
9	"(ii) providing higher priority to of-
10	fers that would be contiguous to—
11	"(I) other enrolled acreage;
12	"(II) a designated wildlife habi-
13	tat; or
14	"(III) a wetland.
15	"(C) COVER CROP INFORMATION.—The
16	Secretary shall provide information to owners
17	or operators about cover crops that are best
18	suited for area wildlife.
19	"(f) Duration of Contract.—For the purpose of
20	carrying out this subchapter, the Secretary shall enter into
21	contracts of not less than 10, nor more than 15, years.
22	"(g) Multiyear Grasses and Legumes.—For the
23	purpose of this subchapter, alfalfa and other multiyear
24	grasses and legumes planted in a rotation practice ap-

1	proved by the Secretary, shall be considered agricultural
2	commodities.
3	"SEC. 1232. DUTIES OF OWNERS AND OPERATORS.
4	"(a) In General.—If required by the Secretary as
5	a term of a contract under this chapter, an owner or oper-
6	ator of a farm or ranch shall agree—
7	"(1) to implement a conservation plan approved
8	by the local conservation district (or in an area not
9	located within a conservation district, a conservation
10	plan approved by the Secretary) for converting eligi-
11	ble lands normally devoted to the production of an
12	agricultural commodity on the farm or ranch to a
13	less intensive use (as defined by the Secretary), such
14	as pasture, permanent grass, legumes, forbs, shrubs,
15	or trees, substantially in accordance with a schedule
16	outlined in the conservation plan;
17	"(2) to place highly erodible cropland subject to
18	the contract in the conservation reserve established
19	under this subchapter;
20	"(3) not to use the land for agricultural pur-
21	poses, except as permitted by the Secretary;
22	"(4) to establish approved vegetative cover, or
23	water cover for the enhancement of wildlife, on the
24	land, except that the water cover shall not include

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1	ponds for the purpose of watering livestock, irrigat-
2	ing crops, or raising fish for commercial purposes;
3	"(5) in addition to the remedies provided under
4	section 1236(d), on the violation of a term or condi-
5	tion of the contract at any time the owner or opera-
6	tor has control of the land—
7	"(A) to forfeit all rights to receive rental
8	payments and cost-sharing payments under the
9	contract and to refund to the Secretary any
10	rental payments and cost-sharing payments re-
11	ceived by the owner or operator under the con-
12	tract, together with interest on the payments as
13	determined by the Secretary, if the Secretary
14	determines that the violation is sufficient to
15	warrant termination of the contract; or
16	"(B) to refund to the Secretary, or accept
17	adjustments to, the rental payments and cost-
18	sharing payments provided to the owner or op-
19	erator, as the Secretary considers appropriate,
20	if the Secretary determines that the violation
21	does not warrant termination of the contract;
22	"(6) on the transfer of the right and interest of

the owner or operator in land subject to the con-

tract—

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1	"(A) to forfeit all rights to rental pay-
2	ments and cost-sharing payments under the
3	contract; and
4	"(B) to refund to the United States all
5	rental payments and cost-sharing payments re-
6	ceived by the owner or operator, or accept such
7	payment adjustments or make such refunds as
8	the Secretary considers appropriate and consist-
9	ent with the objectives of this subchapter, un-
10	less—
11	"(i) the transferee of the land agrees
12	with the Secretary to assume all obliga-
13	tions of the contract; or
14	"(ii) the land is purchased by or for
15	the United States Fish and Wildlife Serv-
16	ice, or the transferee and the Secretary
17	agree to modifications to the contract, if
18	the modifications are consistent with the
19	objectives of this subchapter as determined
20	by the Secretary;
21	"(7) not to conduct any harvesting or grazing,
22	nor otherwise make commercial use of the forage, on
23	land that is subject to the contract, nor adopt any
24	similar practice specified in the contract by the Sec-
25	retary as a practice that would tend to defeat the

1	purposes of the contract, except that the Secretary
2	may permit—
3	"(A) harvesting or grazing or other com-
4	mercial use of the forage on land that is subject
5	to the contract in response to a drought or
6	other similar emergency; and
7	"(B) limited grazing on the land if the
8	grazing is incidental to the gleaning of crop res-
9	idues on the fields in which the land is located
10	and occurs—
11	"(i) during the 7-month period during
12	which grazing of conserving use acreage is
13	allowed in a State under the Agricultural
14	Act of 1949 (7 U.S.C. 1421 et seq.); or
15	"(ii) after the producer harvests the
16	grain crop of the surrounding field for a
17	reduction in rental payment commensurate
18	with the limited economic value of the inci-
19	dental grazing;
20	"(8) not to harvest or make commercial use of
21	trees on land that is subject to the contract unless
22	expressly permitted in the contract, except that no
23	contract shall prohibit activities consistent with cus-
24	tomary forestry practice, such as pruning, thinning,

1	or stand improvement of trees, on land converted to
2	forestry use;
3	"(9) not to adopt any practice that would tend
4	to defeat the objectives of this subchapter;
5	"(10) with respect to any contract entered into
6	after the effective date of section 3 of the Agricul-
7	tural Resources Conservation Act of 1995, concern-
8	ing highly erodible land in a county that has not
9	reached the limitation established by section
10	1242(c)—
11	"(A) not to produce an agricultural com-
12	modity for the duration of the contract on any
13	other highly erodible land that the owner or op-
14	erator has purchased after the effective date of
15	section 3 of the Agricultural Resources Con-
16	servation Act of 1995, and that does not have
17	a history of being used to produce an agricul-
18	tural commodity other than forage crops; and
19	"(B) on the violation of subparagraph (A),
20	to be subject to the sanctions described in para-
21	graph (5); and
22	"(11) to comply with such additional provisions
23	as the Secretary determines are necessary.
24	"(b) Conservation Plan.—The conservation plan
25	required under subsection (a)(1)—

1	"(1) shall set forth—
2	"(A) the conservation measures and prac-
3	tices to be carried out by the owner or operator
4	during the term of the contract; and
5	"(B) the commercial use, if any, to be per-
6	mitted on the land during the term; and
7	"(2) may provide for the permanent retirement
8	of any cropland base and allotment history for the
9	land.
10	"(c) Environmental Use.—To the maximum ex-
11	tent practicable, not less than $\frac{1}{8}$ of land that is placed
12	in the conservation reserve shall be devoted to hardwood
13	trees.
14	"(d) Foreclosure.—
15	"(1) IN GENERAL.—Notwithstanding any other
16	law, an owner or operator of land who is a party to
17	a contract entered into under this subchapter may
18	not be required to make repayments to the Secretary
19	of amounts received under the contract if the land
20	that is subject to the contract has been foreclosed on
21	and the Secretary determines that forgiving the re-
22	payments is appropriate to provide fair and equi-
23	table treatment.
24	"(2) Resumption of control.—This sub-
25	section shall not void the responsibilities of the

1	owner or operator under the contract if the owner or
2	operator resumes control over the land that is sub-
3	ject to the contract within the term of the contract.
4	On the resumption of the control over the land by
5	the owner or operator, the provisions of the contract
6	in effect on the date of the foreclosure shall apply.
7	"SEC. 1233. DUTIES OF THE SECRETARY.
8	"In return for a contract entered into by an owner
9	or operator under section 1232, the Secretary shall—
10	"(1) share the cost of carrying out the con-
11	servation measures and practices set forth in the
12	contract for which the Secretary determines that
13	cost sharing is appropriate and in the public inter-
14	est;
15	"(2) for a period of years not in excess of the
16	term of the contract, pay an annual rental payment
17	in an amount necessary to compensate for—
18	"(A) the conversion of cropland normally
19	devoted to the production of an agricultural
20	commodity on a farm or ranch to a less inten-
21	sive use, consistent with section 1231(e); and
22	"(B) the retirement of any cropland base
23	and allotment history that the owner or opera-
24	tor agrees to retire permanently; and

1	"(3) provide conservation technical assistance,
2	as determined necessary by the Secretary, to assist
3	the owner or operator in carrying out the contract.
4	"SEC. 1234. PAYMENTS.
5	"(a) Time of Cost-Sharing and Annual Rental
6	PAYMENTS.—The Secretary shall provide payment for ob-
7	ligations incurred by the Secretary under a contract en-
8	tered into under this subchapter—
9	"(1) with respect to any cost-sharing payment
10	obligation incurred by the Secretary, as soon as
11	practicable after the obligation is incurred; and
12	"(2) with respect to any annual rental payment
13	obligation incurred by the Secretary—
14	"(A) as soon as practicable after October
15	1 of each calendar year; or
16	"(B) at the discretion of the Secretary, at
17	any time prior to October 1 during the year
18	that the obligation is incurred.
19	"(b) Federal Percentage of Cost-Sharing
20	PAYMENTS.—
21	"(1) In GENERAL.—In making cost-sharing
22	payments to an owner or operator under a contract
23	entered into under this subchapter, the Secretary
24	shall pay 50 percent of the cost of establishing water
25	quality and conservation measures and practices re-

- quired under the contracts for which the Secretary determines that cost sharing is appropriate and in the public interest.
 - "(2) Limitation.—The Secretary shall not make any payment to an owner or operator under this subchapter to the extent that the total amount of cost-sharing payments provided to the owner or operator from all sources would exceed 100 percent of the total actual costs.
 - "(3) Hardwood trees.—The Secretary may permit an owner or operator who contracts to devote at least 10 acres of land to the production of hardwood trees under this subchapter to extend the planting of the trees over a 3-year period if at least 1/3 of the trees are planted in each of the first 2 years.
 - "(4) OTHER FEDERAL COST-SHARING ASSIST-ANCE.—An owner or operator shall not be eligible to receive or retain cost-sharing assistance under this subchapter if the owner or operator receives any other Federal cost-sharing assistance with respect to the land under any other law.
 - "(c) Annual Rental Payments.—
- 24 "(1) ENCOURAGING PARTICIPATION.—In deter-25 mining the amount of annual rental payments to be

paid to owners and operators for converting eligible cropland normally devoted to the production of an agricultural commodity to a less intensive use, the Secretary may consider, among other factors, the amount necessary to encourage owners or operators of eligible cropland to participate in the program established by this subchapter.

"(2) AMOUNT.—

"(A) IN GENERAL.—The amounts payable to owners or operators as rental payments under contracts entered into under this subchapter shall be determined by the Secretary through—

- "(i) the submission of offers for the contracts by owners and operators in such manner as the Secretary may prescribe; and
- "(ii) determination of the rental value of the land through a productivity adjustment formula determined by the Secretary.
- "(B) LIMITATION.—Rental payments shall not exceed local rental rates, except that rental payments for partial field enrollments may be made in an amount that does not exceed 150 percent of local rental rates, adjusted for the

1	productivity of the land, as determined by the
2	Secretary.
3	"(3) HARDWOOD TREES.—In the case of acre-
4	age enrolled in the conservation reserve that is to be
5	devoted to hardwood trees, the Secretary may con-
6	sider offers for contracts under this subsection on a
7	continuous basis.
8	"(d) Cash or In-Kind Payments.—
9	"(1) In General.—Except as otherwise pro-
10	vided in this section, payments under this sub-
11	chapter—
12	"(A) shall be made in cash or in commod-
13	ities in such amount and on such time schedule
14	as are agreed on and specified in the contract;
15	and
16	"(B) may be made in advance of the deter-
17	mination of performance.
18	"(2) In-kind payments.—If the payment is
19	made in in-kind commodities, the payment shall be
20	made by the Commodity Credit Corporation—
21	"(A) by delivery of the commodity involved
22	to the owner or operator at a warehouse or
23	other similar facility located in the county in
24	which the highly erodible cropland is located or

- at such other location as is agreed to by the Secretary and the owner or operator;
 - "(B) by the transfer of negotiable warehouse receipts; or
 - "(C) by such other method, including the sale of the commodity in commercial markets, as is determined by the Secretary to be appropriate to enable the owner or operator to receive efficient and expeditious possession of the commodity.
 - "(3) Insufficient stocks.—If stocks of a commodity acquired by the Commodity Credit Corporation are not readily available to make full payment in kind to an owner or operator, the Secretary may substitute full or partial payment in cash for payment in kind.
 - "(4) SPECIAL CONSERVATION RESERVE EN-HANCEMENT PROGRAM.—Payments to a producer under a special conservation reserve enhancement program described in subsection (f)(4) shall be in the form of cash only.
- "(e) Payment on Death, Disability, or Succes-Sion.—If an owner or operator who is entitled to a payment under a contract entered into under this subchapter dies, becomes incompetent, is otherwise unable to receive

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1	the payment, or is succeeded by another person who ren-
2	ders or completes the required performance, the Secretary
3	shall make the payment, in accordance with regulations
4	prescribed by the Secretary and without regard to any
5	other provision of law, in such manner as the Secretary
6	determines is fair and reasonable in light of all of the cir-
7	cumstances.
8	"(f) Payment Limitation.—
9	"(1) IN GENERAL.—The total amount of rental
10	payments, including the value of any rental pay-
11	ments in in-kind commodities, made to a person
12	under this subchapter for any fiscal year may not
13	exceed \$50,000.
14	"(2) Regulations.—The Secretary shall issue
15	regulations that are consistent with section 1001 for
16	the purpose of—
17	"(A) defining the term 'person' as used in
18	paragraph (1); and
19	"(B) prescribing such rules as the Sec-
20	retary determines are necessary to ensure a fair
21	and reasonable application of the limitation
22	contained in paragraph (1).
23	"(3) RECEIPT OF OTHER PAYMENTS NOT AF-
24	FECTED.—Rental payments received by an owner or
25	operator shall be in addition to, and not affect, the

total amount of payments that the owner or operator
is otherwise eligible to receive under this Act, the
Food, Agriculture, Conservation, and Trade Act of
1990 (Public Law 101–624), or the Agricultural Act

of 1949 (7 U.S.C. 1421 et seq.).

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"(4) Special conservation reserve en-HANCEMENT PROGRAM.—The provisions of this subsection that limit payments to any person, and section 1305(f) of the Agricultural Reconciliation Act of 1987 (Public Law 100–203; 7 U.S.C. 1308 note), shall not be applicable to payments received by a State or political subdivision, or an agency of a State or political subdivision, in connection with an agreement entered into under a special conservation reserve enhancement program carried out by the State, political subdivision, or agency that has been approved by the Secretary. The Secretary may enter into an agreement for payments to a State or political subdivision, or agency of a State or political subdivision, that the Secretary determines will advance the objectives of this subchapter.

"(g) Contracts Unaffected by Certain Presi-23 Dential Orders.—Notwithstanding any other law, no 24 order issued for any fiscal year under section 252 of the 25 Balanced Budget and Emergency Deficit Control Act of

1985 (2 U.S.C. 902) shall affect any payment under any contract entered into at any time that is subject to this 3 subchapter, including contracts entered into prior to the 4 effective date of section 3 of the Agricultural Resources Conservation Act of 1995. 6 "(h) Cost-Sharing Payments.—In addition to any payment under this subchapter, an owner or operator may receive cost-sharing payments, rental payments, or tax 8 benefits from a State or political subdivision of a State 10 for enrolling lands in the conservation reserve program. "SEC. 1235. CONTRACTS. 12 "(a) OWNERSHIP OR OPERATION REQUIREMENT.— "(1) IN GENERAL.—Subject to paragraph (2), 13 no contract shall be entered into under this sub-14 15 chapter concerning land with respect to which the 16 ownership has changed during the 3-year period pre-17 ceding the date the contract is entered into unless— 18 "(A) the new ownership was acquired by 19 will or succession as a result of the death of the 20 previous owner; "(B) the Secretary determines that the 21 22 land was acquired under circumstances that 23 give adequate assurance that the land was not 24 acquired for the purpose of placing the land in

the program established by this subchapter; or

1	"(C) the ownership change occurred due to
2	foreclosure on the land and the owner of the
3	land immediately before the foreclosure exer-
4	cised a right of redemption from the mortgage
5	holder in accordance with a State law.
6	"(2) Applicability.—Paragraph (1) shall
7	not—
8	"(A) prohibit the continuation of a con-
9	tract by a new owner after a contract has been
10	entered into under this subchapter; or
11	"(B) require a person to own the land as
12	a condition of eligibility for entering into the
13	contract if the person—
14	"(i) has operated the land to be cov-
15	ered by a contract under this subchapter
16	for at least 3 years preceding the date of
17	entering into the contract; and
18	"(ii) controls the land during the con-
19	tract period.
20	"(b) Sales or Transfers.—If, during the term of
21	a contract entered into under this subchapter, an owner
22	or operator of land subject to the contract sells or other-
23	wise transfers the ownership or right of occupancy of the
24	land, the new owner or operator of the land may—

1	"(1) continue the contract under the same
2	terms and conditions of the contract;
3	"(2) enter into a new contract in accordance
4	with this subchapter; or
5	"(3) elect not to participate in the program es-
6	tablished under this subchapter.
7	"(c) Modifications and Waivers.—
8	"(1) In general.—The Secretary may modify
9	a contract entered into by an owner or operator
10	under this subchapter if—
11	"(A) the owner or operator agrees to the
12	modification; and
13	"(B) the Secretary determines that the
14	modification is desirable—
15	"(i) to carry out this subchapter;
16	"(ii) to facilitate the practical admin-
17	istration of this subchapter; or
18	"(iii) to achieve such other goals as
19	the Secretary determines are appropriate,
20	consistent with this subchapter.
21	"(2) Production of agricultural commod-
22	ITIES.—The Secretary may modify or waive a term
23	or condition of a contract entered into under this
24	subchapter to permit all or part of the land subject
25	to the contract to be devoted to the production of an

- 1 agricultural commodity during a crop year, subject
- 2 to such conditions as the Secretary determines are
- 3 appropriate.
- 4 "(d) TERMINATION.—The Secretary may terminate a
- 5 contract entered into with an owner or operator under this
- 6 subchapter if—
- 7 "(1) the owner or operator agrees to the termi-
- 8 nation; and
- 9 "(2) the Secretary determines that the termi-
- nation is in the public interest.
- $11\,$ "SEC. 1236. BASE HISTORY.
- 12 "(a) REDUCTIONS.—A reduction, based on a ratio be-
- 13 tween the total cropland acreage on the farm and the acre-
- 14 age placed in the conservation reserve, as determined by
- 15 the Secretary, shall be made during the period of a con-
- 16 tract entered into under this subchapter, in the aggregate,
- 17 in crop bases, quotas, and allotments on the farm with
- 18 respect to crops for which there is a production adjust-
- 19 ment program.
- 20 "(b) Base History as Basis for Participation
- 21 IN OTHER FEDERAL PROGRAMS.—Notwithstanding sec-
- 22 tions 1211 and 1221, the Secretary, by appropriate regu-
- 23 lation, may provide for preservation of cropland base and
- 24 allotment history applicable to acreage converted from the
- 25 production of agricultural commodities under this sub-

- 1 chapter, for the purpose of any Federal program under
- 2 which the history is used as a basis for participation in
- 3 the program or for an allotment or other limitation of the
- 4 program, unless the owner and operator of the farm or
- 5 ranch agree under the contract to retire permanently that
- 6 cropland base and allotment history.
- 7 "(c) Extension of Preservation of Cropland
- 8 Base and Allotment History.—The Secretary shall
- 9 offer the owner or operator of a farm or ranch an oppor-
- 10 tunity to extend the preservation of cropland base and al-
- 11 lotment history pursuant to subsection (b) for such time
- 12 as the Secretary determines to be appropriate after the
- 13 expiration date of a contract under this subchapter at the
- 14 request of the owner or operator. In return for the exten-
- 15 sion, the owner or operator shall agree to continue to abide
- 16 by the terms and conditions of the original contract, ex-
- 17 cept that—
- 18 "(1) the owner or operator shall receive no ad-
- ditional cost-sharing, annual rental, or bonus pay-
- 20 ment; and
- 21 "(2) the Secretary may permit, subject to such
- terms and conditions as the Secretary may impose,
- haying and grazing of acreage subject to the agree-
- 24 ment, except that—

1	"(A) haying and grazing shall not be per-
2	mitted during any consecutive 5-month period
3	that is established by the State committee es-
4	tablished under section 8(b) of the Soil Con-
5	servation and Domestic Allotment Act (16
6	U.S.C. 590h(b)) during the period beginning
7	April 1 and ending October 31 of a year; and
8	"(B) in the case of a natural disaster, the
9	Secretary may permit unlimited haying and
10	grazing on the acreage.
11	"(d) Additional Remedies for Violations.—In
12	addition to any other remedy prescribed by law, the Sec-
13	retary may reduce or terminate the quantity of cropland
14	base and allotment history preserved pursuant to sub-
15	section (c) for acreage with respect to which a violation
16	of a term or condition of a contract occurs.".
17	SEC. 4. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.
18	Chapter 2 of subtitle D of title XII of the Food Secu-
19	rity Act of 1985 (16 U.S.C. 3838 et seq.) is amended to
20	read as follows:
21	"CHAPTER 2—ENVIRONMENTAL QUALITY
22	INCENTIVES PROGRAM
23	"SEC. 1238. FINDINGS AND PURPOSES.
24	"(a) FINDINGS.—Congress finds that—

- 1 "(1) farmers and ranchers cumulatively manage 2 more than ½ of the private lands in the continental 3 United States:
 - "(2) because of the predominance of agriculture, the soil, water, and related natural resources of the United States cannot be protected without cooperative relationships between the Federal Government and farmers and ranchers;
 - "(3) farmers and ranchers have made tremendous progress in protecting the environment and the agricultural resource base of the United States over the past decade because of not only Federal Government programs but also their spirit of stewardship and the adoption of effective technologies;
 - "(4) it is in the interest of the entire United States that farmers and ranchers continue to strive to preserve soil resources and make more efforts to protect water quality and wildlife habitat, and address other broad environmental concerns;
 - "(5) environmental strategies that stress the prudent management of resources, as opposed to idling land, will permit the maximum economic opportunities for farmers and ranchers in the future;
 - "(6) unnecessary bureaucratic and paperwork barriers associated with existing agricultural con-

1	servation assistance programs decrease the potential
2	effectiveness of the programs; and
3	"(7) the recent trend of Federal spending on
4	agricultural conservation programs suggests that as-
5	sistance to farmers and ranchers in future years
6	will, absent changes in policy, dwindle to perilously
7	low levels.
8	"(b) Purposes.—The purposes of the environmental
9	quality incentives program established by this chapter are
10	to—
11	"(1) combine into a single program the func-
12	tions of—
13	"(A) the agricultural conservation program
14	authorized by sections 7 and 8 of the Soil Con-
15	servation and Domestic Allotment Act (16
16	U.S.C. 590g and 590h) (as in effect before the
17	amendments made by section 6(a)(1) of the Ag-
18	ricultural Resources Conservation Act of 1995);
19	"(B) the Great Plains conservation pro-
20	gram established under section 16(b) of the Soil
21	Conservation and Domestic Allotment Act (16
22	U.S.C. 590p(b)) (as in effect before the amend-
23	ment made by section 6(b)(1) of the Agricul-
24	tural Resources Conservation Act of 1995);

1	"(C) the water quality incentives program
2	established under this chapter (as in effect be-
3	fore the amendment made by section 4 of the
4	Agricultural Resources Conservation Act of
5	1995); and
6	"(D) the Colorado River Basin salinity
7	control program established under section
8	202(c) of the Colorado River Basin Salinity
9	Control Act (43 U.S.C. 1592(c)) (as in effect
10	before the amendment made by section $6(c)(1)$
11	of the Agricultural Resources Conservation Act
12	of 1995); and
13	"(2) carry out the single program in a manner
14	that maximizes environmental benefits per dollar ex-
15	pended, and that provides—
16	"(A) flexible technical and financial assist-
17	ance to farmers and ranchers that face the
18	most serious threats to soil, water, and related
19	natural resources, including grazing lands, wet-
20	lands, and wildlife habitat;
21	"(B) assistance to farmers and ranchers in
22	complying with this title and Federal and State
23	environmental laws, and to encourage environ-
24	mental enhancement;

"(C) assistance to farmers and ranchers in making beneficial, cost-effective changes to cropping systems, grazing management, manure, nutrient, pest, or irrigation management, land uses, or other measures needed to conserve and improve soil, water, and related natural resources; and

> "(D) for the consolidation and simplification of the conservation planning process to reduce administrative burdens on the owners and operators of farms and ranches.

12 **"SEC. 1238A. DEFINITIONS.**

"In this chapter:

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- 14 "(1) Land PRACTICE.—The MANAGEMENT 15 term 'land management practice' means nutrient or 16 manure management, integrated pest management, 17 irrigation management, tillage or residue manage-18 ment, grazing management, or another land man-19 agement practice the Secretary determines is needed 20 to protect soil, water, or related resources in the 21 most cost effective manner.
- 22 "(2) Large confined livestock oper-23 ATION.—The term 'large confined livestock oper-24 ation' means a farm or ranch that—

1	"(A) is a confined animal feeding oper-
2	ation; and
3	"(B) has more than—
4	"(i) 700 mature dairy cattle;
5	"(ii) 1,000 beef cattle;
6	"(iii) 30,000 laying hens or broilers
7	(if the facility has continuous overflow wa-
8	tering);
9	"(iv) 100,000 laying hens or broilers
10	(if the facility has a liquid manure sys-
11	tem);
12	"(v) 55,000 turkeys;
13	"(vi) 2,500 swine; or
14	"(vii) 10,000 sheep or lambs.
15	"(3) Livestock.—The term 'livestock' means
16	mature dairy cows, beef cattle, laying hens, broilers,
17	turkeys, swine, sheep, or lambs.
18	"(4) Operator.—The term 'operator' means a
19	person who is engaged in crop or livestock produc-
20	tion (as defined by the Secretary).
21	"(5) Structural practice.—The term 'struc-
22	tural practice' means the establishment of an animal
23	waste management facility, terrace, grassed water-
24	way, contour grass strip, filterstrip, permanent wild-
25	life habitat, or another structural practice that the

1	Secretary determines is needed to protect soil, water,
2	or related resources in the most cost effective man-
3	ner.
4	"SEC. 1238B. ESTABLISHMENT AND ADMINISTRATION OF
5	ENVIRONMENTAL QUALITY INCENTIVES PRO-
6	GRAM.
7	"(a) Establishment.—
8	"(1) IN GENERAL.—During the 1996 through
9	2005 fiscal years, the Secretary shall provide tech-
10	nical assistance, cost-sharing payments, and incen-
11	tive payments to operators, who enter into contracts
12	with the Secretary, through an environmental qual-
13	ity incentives program in accordance with this chap-
14	ter.
15	"(2) Eligible practices.—
16	"(A) STRUCTURAL PRACTICES.—An opera-
17	tor who implements a structural practice shall
18	be eligible for technical assistance or cost-shar-
19	ing payments, or both.
20	"(B) LAND MANAGEMENT PRACTICES.—An
21	operator who performs a land management
22	practice shall be eligible for technical assistance
23	or incentive payments, or both.
24	"(b) Application and Term.—A contract between
25	an operator and the Secretary under this chapter may—

1	"(1) apply to 1 or more structural practices or
2	1 or more land management practices, or both; and
3	"(2) have a term of not less than 5, nor more
4	than 10, years, as determined appropriate by the
5	Secretary, depending on the practice or practices
6	that are the basis of the contract.
7	"(c) Structural Practices.—
8	"(1) Competitive offer.—The Secretary
9	shall administer a competitive offer system for oper-
10	ators proposing to receive cost-sharing payments in
11	exchange for the implementation of 1 or more struc-
12	tural practices by the operator. The competitive
13	offer system shall consist of—
14	"(A) the submission of a competitive offer
15	by the operator in such manner as the Sec-
16	retary may prescribe; and
17	"(B) evaluation of the offer in light of the
18	priorities established in section 1238C and the
19	projected cost of the proposal, as determined by
20	the Secretary.
21	"(2) Concurrence of owner.—If the opera-
22	tor making an offer to implement a structural prac-
23	tice is a tenant of the land involved in agricultural
24	production, for the offer to be acceptable, the opera-

1	tor shall obtain the concurrence of the owner of the
2	land with respect to the offer.
3	"(d) Land Management Practices.—The Sec-
4	retary shall establish an application and evaluation proc-
5	ess for awarding technical assistance or incentive pay-
6	ments, or both, to an operator in exchange for the per-
7	formance of 1 or more land management practices by the
8	operator.
9	"(e) Cost-Sharing and Incentive Payments.—
10	"(1) Cost-sharing payments.—
11	"(A) IN GENERAL.—The Federal share of
12	cost-sharing payments to an operator proposing
13	to implement 1 or more structural practices
14	shall not be less than 75 percent of the pro-
15	jected cost of the practice, as determined by the
16	Secretary, taking into consideration any pay-
17	ment received by the operator from a State or
18	local government.
19	"(B) LIMITATION.—An operator of a large
20	confined livestock operation shall not be eligible
21	for cost-sharing payments to construct an ani-
22	mal waste management facility.
23	"(C) OTHER PAYMENTS.—An operator
24	shall not be eligible for cost-sharing payments
25	for structural practices on eligible land under

this chapter if the operator receives cost-sharing payments or other benefits for the same land under chapter 1 or 3.

"(2) Incentive payments.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage an operator to perform 1 or more land management practices.

"(f) TECHNICAL ASSISTANCE.—

- "(1) Funding.—The Secretary shall allocate funding under this chapter for the provision of technical assistance according to the purpose and projected cost for which the technical assistance is provided in a fiscal year. The allocated amount may vary according to the type of expertise required, quantity of time involved, and other factors as determined appropriate by the Secretary. Funding shall not exceed the projected cost to the Secretary of the technical assistance provided in a fiscal year.
- "(2) OTHER AUTHORITIES.—The receipt of technical assistance under this chapter shall not affect the eligibility of the operator to receive technical assistance under other authorities of law available to the Secretary.

1	"(g) Modification or Termination of Con-
2	TRACTS.—
3	"(1) Voluntary modification or termi-
4	NATION.—The Secretary may modify or terminate a
5	contract entered into with an operator under this
6	chapter if—
7	"(A) the operator agrees to the modifica-
8	tion or termination; and
9	"(B) the Secretary determines that the
10	modification or termination is in the public in-
11	terest.
12	"(2) Involuntary termination.—The Sec-
13	retary may terminate a contract under this chapter
14	if the Secretary determines that the operator vio-
15	lated the contract.
16	"(h) Non-Federal Assistance.—
17	"(1) In general.—The Secretary may request
18	the services of a State water quality agency, State
19	fish and wildlife agency, State forestry agency, or
20	any other governmental or private resource consid-
21	ered appropriate to assist in providing the technical
22	assistance necessary for the development and imple-
23	mentation of a structural practice or land manage-
24	ment practice.

1 "(2) LIMITATION ON LIABILITY.—No person 2 shall be permitted to bring or pursue any claim or 3 action against any official or entity based on or re-4 sulting from any technical assistance provided to an 5 operator under this chapter to assist in complying 6 with a Federal or State environmental law.

7 "SEC. 1238C. EVALUATION OF OFFERS AND PAYMENTS.

"(a) REGIONAL PRIORITIES.—The Secretary shall provide technical assistance, cost-sharing payments, and incentive payments to operators in a region, watershed, or conservation priority area under this chapter based on the significance of the soil, water, and related natural resource problems in the region, watershed, or area, and the structural practices or land management practices that best address the problems, as determined by the Secretary.

"(b) MAXIMIZATION OF ENVIRONMENTAL BENETITS.—

"(1) IN GENERAL.—In providing technical assistance, cost-sharing payments, and incentive payments to operators in regions, watersheds, or conservation priority areas under this chapter, the Secretary shall accord a higher priority to assistance and payments that maximize environmental benefits per dollar expended.

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- "(2) NATIONAL AND REGIONAL PRIORITY.—The prioritization shall be done nationally as well as within the conservation priority area, region, or watershed in which an agricultural operation is located.
- "(3) CRITERIA.—To carry out this subsection, the Secretary shall establish criteria for implementing structural practices and land management practices that best achieve conservation goals for a region, watershed, or conservation priority area, as determined by the Secretary.
- "(c) STATE OR LOCAL CONTRIBUTIONS.—The Secretary shall accord a higher priority to operators whose agricultural operations are located within watersheds, regions, or conservation priority areas in which State or local governments have provided, or will provide, financial or technical assistance to the operators for the same conservation or environmental purposes.
- "(d) PRIORITY LANDS.—The Secretary shall accord
 a higher priority to structural practices or land management practices on lands on which agricultural production
 has been determined to contribute to, or create, the potential for failure to meet applicable water quality standards
 or other environmental objectives of a Federal or State
 law.

"SEC. 1238D. DUTIES OF OPERATORS.

- 2 "To receive technical assistance, cost-sharing pay-
- 3 ments, or incentives payments under this chapter, an oper-
- 4 ator shall agree—
- 5 "(1) to implement an environmental quality in-6 centives program plan that describes conservation
- 7 and environmental goals to be achieved through a
- 8 structural practice or land management practice, or
- 9 both, that is approved by the Secretary;
- 10 "(2) not to conduct any practices on the farm 11 or ranch that would tend to defeat the purposes of
- this chapter;
- "(3) on the violation of a term or condition of the contract at any time the operator has control of the land, to refund any cost-sharing or incentive payment received with interest, and forfeit any fu-
- 17 ture payments under this chapter, as determined by
- the Secretary;
- 19 "(4) on the transfer of the right and interest of
- the operator in land subject to the contract, unless
- the transferee of the right and interest agrees with
- the Secretary to assume all obligations of the con-
- tract, to refund all cost-sharing payments and incen-
- 24 tive payments received under this chapter, as deter-
- 25 mined by the Secretary;

1	"(5) to supply information as required by the
2	Secretary to determine compliance with the environ-
3	mental quality incentives program plan and require-
4	ments of the program; and
5	"(6) to comply with such additional provisions
6	as the Secretary determines are necessary to carry
7	out the environmental quality incentives program
8	plan.
9	"SEC. 1238E. ENVIRONMENTAL QUALITY INCENTIVES PRO-
10	GRAM PLAN.
11	"An environmental quality incentives program plan
12	shall include (as determined by the Secretary)—
13	"(1) a description of the prevailing farm or
14	ranch enterprises, cropping patterns, grazing man-
15	agement, cultural practices, or other information
16	that may be relevant to conserving and enhancing
17	soil, water, and related natural resources;
18	"(2) a description of relevant farm or ranch re-
19	sources, including soil characteristics, rangeland
20	types and condition, proximity to water bodies, wild-
21	life habitat, or other relevant characteristics of the
22	farm or ranch related to the conservation and envi-
23	ronmental objectives set forth in the plan;
24	"(3) a description of specific conservation and
25	environmental objectives to be achieved;

1 "(4) to the extent practicable, specific, quan-2 titative goals for achieving the conservation and environmental objectives; 3 4 "(5) a description of 1 or more structural practices or 1 or more land management practices, or 6 both, to be implemented to achieve the conservation 7 and environmental objectives; "(6) a description of the timing and sequence 8 9 for implementing the structural practices or land 10 management practices, or both, that will assist the 11 operator in complying with Federal and State envi-12 ronmental laws; and "(7) information that will enable evaluation of 13 14 the effectiveness of the plan in achieving the con-15 servation and environmental objectives, and that will 16 enable evaluation of the degree to which the plan 17 has been implemented. 18 "SEC. 1238F. DUTIES OF THE SECRETARY. 19 "To the extent appropriate, the Secretary shall assist 20 an operator in achieving the conservation and environ-21 mental goals of an environmental quality incentives pro-22 gram plan by— "(1) providing an eligibility assessment of the 23 24 farming or ranching operation of the operator as a

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basis for developing the plan;

1	"(2) providing technical assistance in develop-
2	ing and implementing the plan;
3	"(3) providing technical assistance, cost-sharing
4	payments, or incentive payments for developing and
5	implementing 1 or more structural practices or 1 or
6	more land management practices, as appropriate;
7	"(4) providing the operator with information,
8	education, and training to aid in implementation of
9	the plan; and
10	"(5) encouraging the operator to obtain tech-
11	nical assistance, cost-sharing payments, or grants
12	from other Federal, State, local, or private sources.
13	"SEC. 1238G. ELIGIBLE LANDS.
13 14	"SEC. 1238G. ELIGIBLE LANDS. "Agricultural land on which a structural practice or
14 15	"Agricultural land on which a structural practice or
141516	"Agricultural land on which a structural practice or land management practice, or both, shall be eligible for
141516	"Agricultural land on which a structural practice or land management practice, or both, shall be eligible for technical assistance, cost-sharing payments, or incentive
14151617	"Agricultural land on which a structural practice or land management practice, or both, shall be eligible for technical assistance, cost-sharing payments, or incentive payments under this chapter include—
14 15 16 17 18	"Agricultural land on which a structural practice or land management practice, or both, shall be eligible for technical assistance, cost-sharing payments, or incentive payments under this chapter include— "(1) agricultural land (including cropland,
141516171819	"Agricultural land on which a structural practice or land management practice, or both, shall be eligible for technical assistance, cost-sharing payments, or incentive payments under this chapter include— "(1) agricultural land (including cropland, rangeland, pasture, and other land on which crops
14151617181920	"Agricultural land on which a structural practice or land management practice, or both, shall be eligible for technical assistance, cost-sharing payments, or incentive payments under this chapter include— "(1) agricultural land (including cropland, rangeland, pasture, and other land on which crops or livestock are produced) that the Secretary deter-
14 15 16 17 18 19 20 21	"Agricultural land on which a structural practice or land management practice, or both, shall be eligible for technical assistance, cost-sharing payments, or incentive payments under this chapter include— "(1) agricultural land (including cropland, rangeland, pasture, and other land on which crops or livestock are produced) that the Secretary determines poses a serious threat to soil, water, or related

- "(2) an area that is considered to be critical ag-1 2 ricultural land on which either crop or livestock production is carried out, as identified in a plan submit-3 ted by the State under section 319 of the Federal Water Pollution Control Act (33 U.S.C. 1329) as 5 having priority problems that result from an agricul-6 7 tural nonpoint source of pollution; "(3) an area recommended by a State lead 8 9 agency for protection of soil, water, and related resources, as designated by a Governor of a State; and 10 "(4) land that is not located within a des-11 ignated or approved area, but that if permitted to 12 continue to be operated under existing management 13 14 practices, would defeat the purpose of the environ-15 mental quality incentives program, as determined by 16 the Secretary. – 17 "SEC. 1238H. LIMITATIONS ON PAYMENTS. 18 "(a) PAYMENTS.—The total amount of cost-sharing and incentive payments paid to a person under this chap-19 ter may not exceed— 20 "(1) \$10,000 for any fiscal year; or 21 22 "(2) \$50,000 for any multiyear contract. 23 "(b) REGULATIONS.—The Secretary shall issue regu-
- lations that are consistent with section 1001 for the pur-
- 25 pose of—

1	"(1) defining the term 'person' as used in s	sub-
2	section (a); and	

"(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations contained in subsection (a).

7 "SEC. 1238I. TEMPORARY ADMINISTRATION OF ENVIRON-

MENTAL QUALITY INCENTIVES PROGRAM.

"(a) Interim Administration.—

"(1) IN GENERAL.—During the period beginning on the date of enactment of this section and ending on the later of the dates specified in paragraph (2), to ensure that technical assistance, costsharing payments, and incentive payments continue to be administered in an orderly manner until such time as assistance can be provided through final regulations issued to implement the environmental quality incentives program established under this chapter, the Secretary shall continue to provide technical assistance, cost-sharing payments, and incentive payments under the terms and conditions of the agricultural conservation program, the Great Plains conservation program, the water quality incentives program, and the Colorado River Basin salinity control program, to the extent the terms and conditions

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1	of the programs are consistent with the environ-
2	mental quality incentives program.
3	"(2) Expiration of Authority.—The author-
4	ity of the Secretary to carry out paragraph (1) shall
5	terminate on the later of—
6	"(A) the date that is 180 days after the
7	date of enactment of this section; or
8	"(B) March 31, 1996.
9	"(b) PERMANENT ADMINISTRATION.—Effective be-
10	ginning on the later of the dates specified in subsection
11	(a)(2), the Secretary shall provide technical assistance,
12	cost-sharing payments, and incentive payments for struc-
13	tural practices and land management practices related to
14	crop and livestock production in accordance with final reg-
15	ulations issued to carry out the environmental quality in-
16	centives program.".
17	SEC. 5. ADMINISTRATION.
18	Subtitle E of title XII of the Food Security Act of
19	1985 (16 U.S.C. 3841 et seq.) is amended to read as fol-
20	lows:
21	"Subtitle E—Administration
22	"SEC. 1241. FUNDING.
23	"(a) Mandatory Expenses.—Subject to subsection
24	(f), the Secretary shall use the funds of the Commodity

Credit Corporation for each of fiscal years 1996 through 2005 to carry out the programs authorized by— 3 "(1) subchapter B of chapter 1 of subtitle D 4 (including contracts extended by the Secretary pur-5 suant to section 1437 of the Food, Agriculture, Con-6 servation, and Trade Act of 1990 (Public Law 101– 7 624; 16 U.S.C. 3831 note)); "(2) subchapter C of chapter 1 of subtitle D; 8 9 and 10 "(3) chapter 2 of subtitle D. "(b) ADVANCE APPROPRIATIONS TO CCC.—The Sec-11 retary may use the funds of the Commodity Credit Corporation to carry out chapter 3 of subtitle D, except that the Secretary may not use the funds of the Corporation unless the Corporation has received funds to cover the expenditures from appropriations made to carry out chapter 3 of subtitle D. 17 18 "(c) Environmental Quality Incentives Pro-19 GRAM.— 20 "(1) Crop production.—Subject to subsection (f), funds of the Commodity Credit Corporation for 21 22 technical assistance, cost-sharing payments, and in-23 centive payments targeted at practices relating to 24 crop production under the environmental quality in-

centives program—

"(A) in the case of each of fiscal years 1996 and 1997, shall be allocated in the same proportion that existed between practices relating to crop production and livestock production in fiscal year 1995; and

- "(B) in the case of each of fiscal years 1998 through 2005, shall not be less than the total funding level for the payments for fiscal year 1995.
- "(2) LIVESTOCK PRODUCTION.—Subject to subsection (f) and paragraph (3), for each of fiscal years 2000 through 2005, 50 percent of the funding available for technical assistance, cost-sharing payments, and incentive payments under the environmental quality incentives program shall be targeted at practices relating to livestock production.
- "(3) LIMITATION.—The Secretary is authorized to allocate less than 50 percent of the total program funding level for a fiscal year for practices relating to crop or livestock production under paragraphs (1) and (2), if the Secretary determines that the funding level is not justified by need or demand.
- "(d) Conservation Reserve Program.—Subject to subsection (f), funding for the conservation reserve program (including contracts extended by the Secretary pur-

- 1 suant to section 1437 of the Food, Agriculture, Conserva-
- 2 tion, and Trade Act of 1990 (Public Law 101-624; 16
- 3 U.S.C. 3831 note)) shall be—
- 4 "(1) \$1,805,000,000 for fiscal year 1996;
- 5 "(2) \$1,804,000,000 for fiscal year 1997;
- 6 "(3) \$1,485,000,000 for fiscal year 1998;
- 7 "(4) \$1,345,000,000 for fiscal year 1999; and
- 8 "(5) \$1,221,000,000 for each of fiscal years
- 9 2000 through 2005.
- 10 "(e) Wetlands Reserve Program.—Subject to
- 11 subsection (f), funding to carry out the wetlands reserve
- 12 program under subchapter C of chapter 1 of subtitle D
- 13 shall be \$150,000,000 for each of fiscal years 1996
- 14 through 2005.
- 15 "(f) Limitation on Use of CCC Funds.—Subject
- 16 to subsection (c)(3) and notwithstanding any other law,
- 17 the Secretary shall allocate \$2,060,000,000, of funds of
- 18 the Commodity Credit Corporation for each of fiscal years
- 19 1996 through 2005 to carry out the programs authorized
- 20 by chapters 1 and 2 of subtitle D.
- 21 "(g) Proration of Payments.—If for any fiscal
- 22 year the Secretary has incurred total contractual obliga-
- 23 tions to make payments under all programs authorized
- 24 under subtitle D (other than chapter 3 of subtitle D) that
- 25 would exceed an amount of \$2,060,000,000, the Secretary

shall prorate all payments owed under subtitle D (other than chapter 3 of subtitle D) for the fiscal year to ensure that actual payments for the fiscal year do not exceed that 4 amount. "SEC. 1242. ADMINISTRATION. "(a) Plans.—The Secretary shall, to the extent prac-6 ticable, avoid duplication in— "(1) the conservation plans required for— 8 "(A) highly erodible land conservation 9 under subtitle B: 10 "(B) the conservation reserve program es-11 tablished under subchapter B of chapter 1 of 12 13 subtitle D: and "(C) the wetlands reserve program estab-14 15 lished under subchapter C of chapter 1 of subtitle D; and 16 17 "(2) the environmental quality incentives pro-18 gram plan required under chapter 2 of subtitle D. 19 "(b) Tenants and Sharecroppers.—In carrying out the programs established under subtitle D, the Sec-20 retary shall provide adequate safeguards to protect the in-21 terests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under a program established by subtitle D. 25 "(c) ACREAGE LIMITATION.—

1	"(1) IN GENERAL.—The Secretary shall not en-
2	roll more than 25 percent of the cropland in any
3	county in the programs administered under the con-
4	servation reserve and wetlands reserve programs es-
5	tablished under subchapters B and C, respectively,
6	of chapter 1 of subtitle D. Not more than 10 percent
7	of the cropland in a county may be subject to an
8	easement acquired under the subchapters.
9	"(2) Exception.—The Secretary may exceed
10	the limitations in paragraph (1) if the Secretary de-
11	termines that—
12	"(A) the action would not adversely affect
13	the local economy of a county; and
14	"(B) operators in the county are having
15	difficulties complying with conservation plans
16	implemented under section 1212.
17	"(3) Shelterbelts and windbreaks.—The
18	limitations established under this subsection shall
19	not apply to cropland that is subject to an easement
20	under chapter 1 or 3 of subtitle D that is used for
21	the establishment of shelterbelts and windbreaks.
22	"(d) Regulations.—
23	"(1) Conservation reserve and wetlands
24	RESERVE PROGRAMS.—Not later than 90 days after

the effective date of this section, the Secretary shall

- issue regulations to implement the conservation reserve and wetlands reserve programs established under chapter 1 of subtitle D.
- "(2) Environmental quality incentives

 PROGRAM.—Not later than 180 days after the effective date of this section, the Secretary shall issue

 regulations to implement the environmental quality

 incentives program under chapter 2 of subtitle D.

9 "SEC. 1243. CONSERVATION OPERATIONS.

- 10 "It is the sense of Congress that—
- "(1) the functions performed by the Secretary pursuant to the authority for Conservation Operations are valuable conservation activities that should continue to be carried out by the Secretary; and
- "(2) the amount of funds made available to carry out the functions of Conservation Operations for each fiscal year should not be less than the amount of funds made available to carry out those functions during fiscal year 1995.

21 "SEC. 1244. INFORMATION MANAGEMENT.

- "It is the sense of Congress that the Secretary should
- 23 develop information management techniques that are nec-
- 24 essary to create—

1	"(1) individual farm or ranch natural resource
2	databases that would streamline the process by
3	which owners or operators apply to participate in a
4	conservation program administered by the Secretary;
5	and
6	"(2) to the extent practicable, develop a com-
7	mon application process for all conservation pro-
8	grams.".
9	SEC. 6. CONFORMING AMENDMENTS.
10	(a) Agricultural Conservation Program.—
11	(1) Elimination.—
12	(A) Section 8 of the Soil Conservation and
13	Domestic Allotment Act (16 U.S.C. 590h) is
14	amended—
15	(i) in subsection (b)—
16	(I) by striking paragraphs (1)
17	through (4) and inserting the follow-
18	ing:
19	"(1) Environmental quality incentives
20	PROGRAM.—The Secretary shall provide technical as-
21	sistance, cost share payments, and incentive pay-
22	ments to operators through the environmental qual-
23	ity incentives program in accordance with chapter 2
24	of subtitle D of the Food Security Act of 1985 (16
25	U.S.C. 3838 et seq.).''; and

1	(II) by striking paragraphs (6)
2	through (8); and
3	(ii) by striking subsections (d), (e),
4	and (f).
5	(B) The first sentence of section 11 of the
6	Soil Conservation and Domestic Allotment Act
7	(16 U.S.C. 590k) is amended by striking "per-
8	formance: Provided further," and all that fol-
9	lows through "or other law" and inserting "per-
10	formance".
11	(C) Section 14 of the Act (16 U.S.C.
12	590n) is amended—
13	(i) in the first sentence, by striking
14	"or 8"; and
15	(ii) by striking the second sentence.
16	(D) Section 15 of the Act (16 U.S.C.
17	590o) is amended—
18	(i) in the first undesignated para-
19	graph—
20	(I) in the first sentence, by strik-
21	ing "sections 7 and 8" and inserting
22	"section 7"; and
23	(II) by striking the third sen-
24	tence; and

1	(ii) by striking the second undesig-
2	nated paragraph.
3	(2) Conforming amendments.—
4	(A) Paragraph (1) of the last proviso of
5	the matter under the heading "CONSERVATION
6	RESERVE PROGRAM" under the heading "Soil
7	Bank Programs" of title I of the Department
8	of Agriculture and Farm Credit Administration
9	Appropriation Act, 1959 (72 Stat. 195; 7
10	U.S.C. 1831a) is amended by striking "Agricul-
11	tural Conservation Program" and inserting
12	"environmental quality incentives program es-
13	tablished under chapter 2 of subtitle D of the
14	Food Security Act of 1985 (16 U.S.C. 3838 et
15	seq.)".
16	(B) Section 4 of the Cooperative Forestry
17	Assistance Act of 1978 (16 U.S.C. 2103) is
18	amended by striking "as added by the Agri-
19	culture and Consumer Protection Act of 1973"
20	each place it appears in subsections (d) and (i)
21	and inserting "as in effect before the amend-
22	ment made by section 6(a)(1)(F) of the Agri-
23	cultural Resources Conservation Act of 1995".
24	(C) Section 226(b)(4) of the Department
25	of Agriculture Reorganization Act of 1994 (7

- U.S.C. 6932(b)(4)) is amended by striking

 'and the agricultural conservation program

 under the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g et seq.)".
 - (D) Section 246(b)(8) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)(8)) is amended by striking "and the agricultural conservation program under the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g et seq.)".
 - (E) Section 1271(c)(3)(C) of the Food, Agriculture, Conservation, and Trade Act of 1990 (16 U.S.C. 2106a(c)(3)(C)) is amended by striking "Agricultural Conservation Program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h, 590l, or 590p)" and inserting "environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)".
 - (F) Section 126(a)(5) of the Internal Revenue Code of 1986 is amended to read as follows:

1	"(5) The environmental quality incentives pro-
2	gram established under chapter 2 of subtitle D of
3	the Food Security Act of 1985 (16 U.S.C. 3838 et
4	seq.).''.
5	(G) Section 304(a) of the Lake Champlain
6	Special Designation Act of 1990 (Public Law
7	101-596; 33 U.S.C. 1270 note) is amended—
8	(i) in the subsection heading, by strik-
9	ing "Special Project Area Under the
10	Agricultural Conservation Pro-
11	GRAM" and inserting "A PRIORITY AREA
12	Under the Environmental Quality
13	INCENTIVES PROGRAM"; and
14	(ii) in paragraph (1), by striking
15	"special project area under the Agricul-
16	tural Conservation Program established
17	under section 8(b) of the Soil Conservation
18	and Domestic Allotment Act (16 U.S.C.
19	590h(b))" and inserting "priority area
20	under the environmental quality incentives
21	program established under chapter 2 of
22	subtitle D of the Food Security Act of
23	1985 (16 U.S.C. 3838 et seq.)".

1	(H) Section 6 of the Department of Agri-
2	culture Organic Act of 1956 (70 Stat. 1033) is
3	amended by striking subsection (b).
4	(b) Great Plains Conservation Program.—
5	(1) Elimination.—Section 16 of the Soil Con-
6	servation and Domestic Allotment Act (16 U.S.C.
7	590p) is repealed.
8	(2) Conforming amendments.—
9	(A) The Agricultural Adjustment Act of
10	1938 is amended by striking "Great Plains pro-
11	gram'' each place it appears in sections
12	344(f)(8) and 377 (7 U.S.C. 1344(f)(8) and
13	1377) and inserting "environmental quality in-
14	centives program established under chapter 2 of
15	subtitle D of the Food Security Act of 1985 (16
16	U.S.C. 3838 et seq.)".
17	(B) Section 246(b) of the Department of
18	Agriculture Reorganization Act of 1994 (7
19	U.S.C. 6962(b)) is amended by striking para-
20	graph (2).
21	(C) Section 126(a) of the Internal Revenue
22	Code of 1986 is amended—
23	(i) by striking paragraph (6); and

1	(ii) by redesignating paragraphs (7)
2	through (10) as paragraphs (6) through
3	(9), respectively.
4	(c) Colorado River Basin Salinity Control
5	Program.—
6	(1) Elimination.—Section 202 of the Colo-
7	rado River Basin Salinity Control Act (43 U.S.C.
8	1592) is amended by striking subsection (c).
9	(2) Conforming Amendment.—Section
10	246(b) of the Department of Agriculture Reorga-
11	nization Act of 1994 (7 U.S.C. 6962(b)) is amended
12	by striking paragraph (6).
13	(d) Rural Environmental Conservation Pro-
14	GRAM.—
15	(1) Elimination.—Title X of the Agricultural
16	Act of 1970 (16 U.S.C. 1501 et seq.) is repealed.
17	(2) Conforming Amendments.—Section
18	246(b) of the Department of Agriculture Reorga-
19	nization Act of 1994 (7 U.S.C. 6962(b)) (as amend-
20	ed by subsections $(a)(2)(D)$, $(b)(2)(B)$, and $(c)(2)$) is
21	further amended—
22	(A) by striking paragraph (1); and
23	(B) by redesignating paragraphs (3), (4),
24	(5), (7), and (8) as paragraphs (1), (2), (3),
25	(4), and (5), respectively.

- 1 (e) Highly Erodible Land Conservation.—Sec-
- 2 tion 1212(e) of the Food Security Act of 1985 (16 U.S.C.
- 3 3812(e)) is amended by inserting after the first sentence
- 4 the following: "Ineligibility under section 1211 of a tenant
- 5 or sharecropper for benefits under section 1211 shall not
- 6 cause a landlord to be ineligible for the benefits for which
- 7 the landlord would otherwise be eligible with respect to
- 8 a commodity produced on lands other than the land oper-
- 9 ated by the tenant or sharecropper.".
- 10 (f) Other Conservation Provisions.—Subtitle F
- 11 of title XII of the Food Security Act of 1985 (16 U.S.C.
- 12 2005a and 2101 note) is repealed.
- 13 (g) COMMODITY CREDIT CORPORATION CHARTER
- 14 Act.—
- 15 (1) The first sentence of section 4(g) of the
- 16 Commodity Credit Corporation Charter Act (15
- 17 U.S.C. 714b(g)) is amended by inserting before the
- period at the end the following: ", except that the
- 19 total contractual obligations incurred under the
- functions and programs established under subtitle D
- of title XII of the Food Security Act of 1985 (16
- U.S.C. 3830 et seq.) shall not exceed
- 23 \$2,060,000,000 for any fiscal year".

- (2) Section 5(g) of the Commodity Credit Cor-1 2 poration Charter Act (15 U.S.C. 714c(g)) is amended to read as follows: 3 "(g) Carry out the functions and programs estab-4 lished under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.) at a funding level, notwithstanding any other provision of law, that does not exceed a total of \$2,060,000,000 in any fiscal year for all 8 functions and programs combined.". 10 (h) RESOURCE CONSERVATION.— 11 (1) ELIMINATION.—Subtitles A, B, D, E, F, G, 12 and J of title XV of the Agriculture and Food Act 13 of 1981 (95 Stat. 1328; 16 U.S.C. 3401 et seq.) are 14 repealed. 15 (2) Conforming Amendment.—Section 739 16 of the Agriculture, Rural Development, Food and 17 Drug Administration, and Related Agencies Appro-18 priations Act, 1982 (7 U.S.C. 2272a) is repealed. 19 (i) WETLANDS Program.—Section RESERVE 1237(c) of the Food Security Act of 1985 (16 U.S.C. 20 21 3837(c)) is amended by striking "1991 through 2000" and inserting "1996 through 2005". 22
- 23 (j) ENVIRONMENTAL EASEMENT PROGRAM.—Section
 24 1239(a) of the Food Security Act of 1985 (16 U.S.C.

- 1 3839(a)) is amended by striking "1991 through 1995"
- 2 and inserting "1996 through 2005".
- 3 SEC. 7. EFFECTIVE DATES.
- 4 (a) IN GENERAL.—Except as provided in subsection
- 5 (b), this Act and the amendments made by this Act shall
- 6 become effective on the later of—
- 7 (1) the date of enactment of this Act; or
- 8 (2) October 1, 1995.
- 9 (b) Transition Provisions.—
- 10 (1) IN GENERAL.—Section 1238I and 1242(d)
 11 of the Food Security Act of 1985 (as added by sec12 tions 4 and 5, respectively, of this Act) shall become
- effective on the date of enactment of this Act.
- 14 (2) 1991 THROUGH 1995 CALENDAR YEARS.—
- Notwithstanding any other provision of law, this Act
- and the amendments made by this Act shall not af-
- fect the authority of the Secretary of Agriculture to
- carry out a program for any of the 1991 through
- 19 1995 calendar years under a provision of law in ef-
- fect immediately before the effective dates prescribed
- 21 by this section.

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